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A HEDGE AGAINST CONFISCATION

by Frank Chodorov

When Henry Adams was learning the trade at the American Embassy in London (he tells the story in his Education), he made the discovery that political ethics and private ethics are at opposite poles. Adams remarked upon this to an older hand at diplomacy and naively asked whether all politicians are dishonest. To which query he received this reply: "I should not advise a young man to begin his career by thinking otherwise."

To ordinary mortals, like you and me, this cynical observation on political integrity may be shocking, but that is because we assume that politicians are ordinary mortals, which they are not. Men placed above the common herd cannot be circumscribed in their behavior by the rules of conduct prevailing below. What is honest or dishonest in the realm of principle may be just the reverse in the rarefied air of political expediency.

When, therefore, the residents of Mount Olympus do behave in human manner, the matter is worthy of mention. Take the British Labor Party. For decades it had been telling the people of England that, come their innings, Labor would nationalize industry. There was no question as to the intention. Through such articulate representatives as the late Mr. and Mrs. Webb, and the current Mr. Laski, they made it quite definite. If, in 1945, the British electorate did not know what they were voting for, they could blame only their ignorance; no charge of duplicity could be brought against the BLP.

Mr. Truman and the Democratic Party leadership, on the other hand, are running true to the traditions of their trade. It is dishonest, if we insist on judging their actions by copybook standards. For, they are promulgating a political program completely unrelated to the historical pronouncements of the Party. True, during the past fifteen years much was done by its dominant section to indicate a strong inclination toward the socialization of industry. But most recommendations were in the name of "emergency" -- suggesting temporary measures called for by a passing condition. At no time was it specifically announced that the Party had abandoned Thomas Jefferson in favor of Karl Marx.

Nor were we told by Mr. Truman during the recent campaign that in voting for him we would be voting for out-and-out Socialism. His strong

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espousal of New Deal economics suggested to many that his return to power would herald the end of private enterprise in America. That, however, was only an inference. He did not say so. His platform did not say so. What he did say and what he is now undertaking are at odds, and, by the standards prevailing in private life, veracity is strained.

II

This observation is sharpened by the Spence Bill, carefully analyzed in the last issue of HUMAN EVENTS. Since this legislation was drafted by a Cabinet committee, headed by the Secretary of Agriculture, and is sponsored by the Chairman of the House Banking and Currency Committee, the bill must be considered as an official pronouncement of Administration intent. This, then, is a part of what Mr. Truman seeks:

1. Authority to set maximum and minimum prices for commodities and manufactures at Presidential pleasure.

2. Authority to make loans and direct the expansion of facilities for increased production, or to build and operate such plants, at will.

3. Authority to make mandatory allocations of priority for the use of scarce materials, also at untrammelled executive discretion.

4. Authority to nominate a co-ordinator of economic affairs. (Hinting at an office similar to that occupied by the British "economic dictator", Sir Stafford Cripps.)

Well, there it is. Regardless of pre-election statements, Mr. Truman now proposes to move in on industry, by putting overseers in plants of his selection, or by buying up the management with subsidies, or by opening (with our tax money) plants which -- with the help of tax-supported subsidies -- will drive efficiency to the wall.

That Mr. Truman will get his way seems probable to me. There will be a lot of jabberwocky before he does, but since the opposition party seems almost equally without principle, or equally "liberal", the march toward Socialism will be unimpeded. You can be sure that when the propitious "emergency" arises, when the hobgoblin of war frightens us out of our wits or the fear of unemployment further depresses the value of liberty, the rats of bureaucracy will infest the hold of American business. Ultimately, of course, the ship will sink, but in the meantime there will be cheese for all.

There is no use frothing at the mouth at the turn of events. Silly, indeed, is the pointing of a Sunday School finger of scorn at political duplicity. As with young Henry Adams, any expectation of something else is due to misunderstanding of political standards. Nor

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need you worry about the "future of America", for the coming generation will find comfort in the conditions to which they were born and trained; it has always been so.

Only you and I, because we have known better times, have a problem on our hands. Our habits of thought and behavior will make it difficult for us to slither into the slough of National Socialism. But, precisely because of our experience in self-reliance, we should not find it too difficult to devise some hedge against what we know we must endure during the rest of our lives.

III

The first hedge that suggests itself, because it seems easiest to accomplish, is to find a place in the new hierarchy. No doubt many lieutenants of industry will do so, for one must live, and if one can live only by pushing one's snout into the public trough, so be it. Besides -- the reasoning goes -- the "big shots" have always run the national show, and now that the arena is so vast and the mob scenes so colossal, the politicians will not be able to do without managerial skill. Perhaps.

In the transition from private enterprise to Socialism, however, there is a hedge that might furnish a little temporary relief for those who are uninterested in the Federal payroll. In this country the ownership of capital is so widely decentralized that nationalization cannot be accomplished in one fell swoop, as in Russia, but must take the course of purchase, as in England; therein lies the bit of protection.

There are indications that this hedge is already taking shape. Shortly before the introduction of the Spence Bill, the United States Steel Corporation declared an extra dividend and announced its intention to split up its common shares. Soon afterward, General Motors voted an extra dividend, and then came news that such large corporations as American Telephone and Telegraph and Du Pont de Nemours, are planning to increase their issues by variations of the split-up method.

Now, the reason for splitting up stock is simply to induce wider public participation in the ownership of the corporations. And the obvious question is, why do the directors seek wider distribution of ownership at this time? What is the urgency? According to reports, there are now upwards of five million holders of listed securities. Is it not reasonable to infer a desire to build an even more formidable pressure-group against possible confiscation?

Intent, as every lawyer knows, is most difficult to prove, and where so many directors are involved even the intimation of a concerted

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purpose would be ridiculous. But, the fact remains that the more "widows and orphans" who hold stock, the more difficult it would be for the State to move in ruthlessly on the corporation -- or, the more likely that the State will pay generously for what it confiscates.

And the price must move up as the number of bidders increases. Not only will the splitting of the stock attract more buyers, but so will the payment of higher dividends. The two moves cannot be disassociated, particularly when they are simultaneous.

Especially telling is the payment of higher dividends at a time when business is experiencing a drop in sales and prices in general are tending down. It would seem the part of wisdom now to build up larger reserves against indicated contingencies. What, then, is the reason for the distribution of capital?

There is also the tax situation to be taken into consideration. If and when Mr. Truman has his way, levies on the funds of corporations will be increased; in fact, his program of socialization will compel such a course. Distribution of earnings to stockholders, then, could be an anticipatory measure; since the tax-collector will get it anyhow, why not pay it out and let the stockholders bear the brunt?

IV

As Will Rogers used to say, I know only what I read in the papers. I do not pretend ability to predict stock market quotations; that is something for soothsayers only. But, putting together the known facts, and mixing in the known inclinations of the normal human being, one comes to the conclusion that Mr. Truman's socialistic proposals have been anticipated in Wall Street. If that is so, the market offers a hedge against the confiscation of property in the offing.

It is at best, as said, a very temporary hedge. If you should contemplate it, please remember that. You cannot escape the vise of Socialism. Whatever you may gain by market operations will soon be wiped out by taxation and depreciated currency.

England is buying out private industry with bonds. In spite of ERP, these British bonds can now be bought on the New York market at a considerable discount. The British bondholders are willing to take a hefty loss in order to get dollars which will fetch them something. They thought they took a good "profit" when they sold their industries to the State, but now they know, like Faust, that you cannot win when you make a bargain with Mephistopheles.

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Not Merely Gossip *A Supplement to* Human Events Vol. VI, No. 11

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By Frank C. Hanighen March 16, 1949

CONGRESS: Three blows fell on the Administration within the past 48 hours. After Senator Lucas, Majority leader, conceded defeat in his attempt to stop the filibustering Southerners, a North-South coalition reached a compromise without Lucas and ended the affair. Next, Senator Byrd in the Armed Services Committee effectively ended Wallgren's chances for confirmation as head of the National Security Resources Board. Such a setback for the President, of course, is by no means fatal. Roosevelt suffered no injury from the rejection of Boss Flynn and Truman himself weathered the rejection of Ed Pauley. However, Wallgren is a personal friend of Truman who cannot be unaffected.

Finally, the third, and more telling, blow came the afternoon of March 15, when over 70 Southern Democrats joined with Republicans in the House to put through an amendment to the Rent Control Bill. This amendment would permit any state, town or county to have the final word on the dropping of rent ceilings. Passage of this clause greatly modified the minimum objectives of the Administration in this legislation. Congressman Spence, reliable White House supporter on anything from rent control to government steel plant ownership, appealed to the Majority to reverse the vote for the key amendment, with the somewhat irrelevant remark that "local governing bodies would be bombarded with pleas to drop rent controls in their areas". This Administration setback is considered significant. For, of all the items in the Truman program, strict Federal rent control was the one which everyone, Democrat and Republican, initially conceded would pass virtually intact. The fate of the rent control legislation may prove more of a portent than the success of the filibuster.

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RENT CONTROL: In recent weeks we have encountered what might be called "the little people's lobby" in the fatiguing corridors of the Senate and House Office buildings. When we first noticed these folk, we thought that they were angry tenants petitioning for strict retention of rent control. The baggy knees of the men's trousers and the frayed coats of the women appeared in sharp contrast to the picture -- monotonously presented week by week by New Deal columnists -- of the stupendously rich real estate lobby forever staging Babylonian revels in luxury hotels for impressionable legislators. However, to our surprise, the "little people's lobby" turned out to be a collection of impecunious landlords. They came in droves by bus -- the old man and the old lady -- and they stopped in shabby lodging houses on the other side of the Capitol. And there were too many of them to be an organization lobby. You saw them nursing tired feet on the pitiless marble floors, as they tried to see Members of Congress, to tell their tales of woe.

Congressman Gwinn (New York), who listened to many of these "lobbyists-by-Greyhound", pointed out to us that about 83 per cent of the approximately 8 million rental property owners have less than a $5,000 investment and the average number of rental units is two. The duplex, in which the owner occupies one side, is typical. These "profiteering" landlords are often aging carpenters, or other retired skilled workers who have sunk their savings in rental property, and they resemble very much the followers of Dr. Townsend. Not unnaturally, they came to Washington to protest. With the modification of the strict rent control bill and the passage of "home rule" control, it is obvious that the efforts of these little lobbyists have not been in vain. Observers on Capitol Hill believe that Congressmen have been influenced, not by the big real estate organizations, but by the plight of little landlords, who incidentally constitute a big voting factor.

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PARLIAMENTARY: The filibuster has revealed to those unfamiliar with the ways of Congress the intricacies of parliamentary procedure. One device, however, went unnoticed by commentators. Two Senators who signed the petition for cloture on March 9 voted against Vice President Barkley's cloture ruling two days later. Now these two legislators may have acted on the highest motives; Senators during the filibuster fight have been especially cagy about revealing the real reasons for their stands, and it would be unfair to accuse these two Members of facing both ways. Nevertheless, the stratagem of changing position during progressive stages of any legislative consideration is an old one. Thus a Member of Congress may oppose a bill by casting his ballot for a key amendment designed to make the bill ineffective. If the amendment is defeated, and it is plain that the final bill will command a big majority, the agile representative may then give an affirmative vote. Later, if criticized for this final vote, he can always point to his record and claim with justification that he tried to amend the original bill. There are indeed many tricks of the trade.

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TAXES: It may have been merely eyestrain caused by working on income-tax forms, but by some alchemy two items on the front page of the Washington Star on March 13 actually merged in our mind's eye. The first was a dispatch from Seoul stating that the President of Southern Korea is sending a personal representative to Washington to seek help for doubling the present 50,000 man Korean Army, in view of Communist threats from North Korea. To arm another 50,000 Koreans would involve appropriating a good deal of money, and we recalled that the State Department last week generously added Korea, the Philippines, Iran and South America to the list of recipients of military arms, which up till then included Greece, Turkey and all the North Atlantic Pact nations.

But can the American taxpayer really foot the bill? This question -- so airily dismissed by global planners -- arose as we read the other news story on the same page of the Star, headed "Montgomery Reports Delinquency On Taxes Is Highest In Years". Briefly, this means that the back of the taxpayer in Montgomery County, Maryland, on the edge of the District of Columbia, is audibly cracking. According to the Star, Montgomery County Treasurer John B. Diamond says that tax delinquencies will be several times larger than last year's and that the county is preparing to foreclose next month. Now, this county is an area of lush farms and comfortable-looking suburbanites, most of the latter working in Washington, source of endless Government appropriations. What is the reason for this developing bankruptcy? We phoned Mr. Diamond and found that he assigned great importance to the heavy burden of the Federal Income Tax. The situation in this Maryland county is probably not very different from that in thousands of counties throughout the country which have been trying to compete with the Federal Government for the tax dollar. And, clearly, the situation is going to become worse, not better, as Presidents of distant republics send personal representatives to Washington on arms missions.

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CARTELS: We have always cast a suspicious eye on the bureaucrats who set forth on a journey into darkest Germany to kill that fierce mammal, the cartel. At one time such sorties looked very much like improvised attempts to give jobs to unemployed OPA economic analysts. Besides, one of their leaders was identified as a prominent fellow traveller. Why his masters in Moscow should be sincerely interested in free competition was not quite clear. Anyway, these safaris still depart periodically to the hosannas of such stalwart defenders of free enterprise as the Messrs. Stokes, Childs, Alsop and Pearson.

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Recently some of these scribes set up quite a hubbub about one de-cartelizer (yes, that is the word in Washington's lexicon) who lost his job, apparently because of fiendish pro-Nazi and "reactionary" interests among the "brass hats". We do not know just what prompted this de-cartelizer in his efforts to break up the German firm of Bosch. But we have received a pretty good picture of the inevitable effects of such "de-cartelization", from a friend recently returned from Germany. Like dismantling, de-cartelization is pretty costly to the American taxpayer.

The principal business of Bosch is the supplying of complete ignition systems for autos. Like its American counterparts, Delco and Autolite, the Bosch system has a number of components -- starters, distributors, coils, generators and spark plugs. In the early days of the auto industry, these parts were manufactured separately, expensively and inefficiently. Delco, Autolite and Bosch, by merging these processes, have contributed to automotive progress and economy. But now the relentless American opponents of the cartel wish to split Bosch up into separate firms -- one for spark plugs, another for generators, another for magnetos, etc. The obvious result will be that each new separate company must have a separate sales organization, laboratory, research, etc. With this increase in overhead, the resultant products will face an impossible task in competing in the international market. As Bosch fails to bring home the bacon for Germany, the cost of maintaining Germany will thereby be increased, with the American taxpayer paying the bill. We doubt, however, that such a consideration troubles the sleep of the cartel specialists.

There is grim irony in the fact that the firm of Bosch is one large German firm which has had an outstanding record for opposing the Nazis. Old Herr Bosch fought hard to prevent the ascent of Adolf Hitler to power, and to keep Germany in harmonious relations with its European neighbors. And during the war, Bosch risked his life and property by helping the German Underground.

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SPIES: Among intellectual circles, there is a revived interest in a half-forgotten volume reputed to contain the answer to a key problem of the current espionage cause celebre. The book is The Middle of the Journey, a novel by the distinguished literary critic, Lionel Trilling, and it was published in 1947, a year and a half before Messrs. Chambers and Hiss appeared on the public proscenium. If the author did not know something about at least one of the now widely publicized persons, he must have had an intensely clairvoyant imagination. A principal character in the novel is Gifford Maxim, a Communist who turns against his party organization and to save his life seeks and obtains a position as Assistant Editor of a national magazine. The reason why he sought the post was, briefly, to quote the book, "his belief that he was not safe unless he acquired what he kept calling an existence by becoming a public fact. He had vanished as a person [when he left the Communist organization] and now he could easily be done away with." He told a "liberal" friend (who, of course, did not believe him) that he hadn't "developed a yearning for the ocean bottom or for a pistol behind the ear."

In our opinion, both conservatives and liberals exhibited a good deal of silliness in their bewilderment over the actions of Chambers. Hadn't they read the papers about the assassination of Leon Trotsky and such cases as those of Julia Poyntz and Ignace Weiss, who to their sorrow "knew too much"? Even the most superficial knowledge of the Communist International should have suggested that Moscow would not be too delicate in dealing with children who wandered far from the fold. No wonder Chambers was "jittery". However, for those who are still mystified, Mr. Trilling's novel may prove useful.

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DEWEY: They were talking of Tom Dewey at a table in the Senators' dining room. If Senator Wagner of New York retires, it was suggested, Dewey might take his place. Dewey's arrival in the Upper Chamber would make Ives the senior Senator from New York. "But", protested someone, "then we'll have to refer in our speeches to Tom as the junior Senator from New York". It was Senator McGrath of Rhode Island who retorted, "You fellows can do what you like about it -- but I will just call him 'Junior'".

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CHRYSLER: Reports to stockholders rarely contain verbal felicities and so we were pleased to find the following passage in the Chrysler statement for 1948: "While the inadequacy of depreciation charges to provide for replacements is generally applicable throughout all industry, no recognition has as yet been accorded this fact by the Treasury Department in its determination of deductions applicable to taxable incomes. Consequently there is a certain indeterminate lack of realism [emphasis ours] in the profits reported."

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CONSERVATIVES: While Republicans are beginning to awaken from the dejection that came in November, they might well -- instead of childishly clapping their hands over Democratic discomfiture -- ponder the following description of their opposite numbers in Socialist Britain. The leading editorial of the conservative London weekly Time and Tide (March 5) remarks, "Whether it be true or not that a country gets the Government it deserves, it cannot at the moment be said that the country gets the Opposition it deserves". And Time and Tide proceeds to criticize Churchill's policy of "attacking Labor" rather than "propounding Conservatism". The fact is that there is a "current drift", in which "The people want full employment and believe that Labor is sounder on this point than the Conservatives. They want great and growing social services and Labor is giving them. The process of distributing benefits is in full swing and it is a very agreeable thing to the recipients. The nation is not yet conscious of the cost, nor of the bankruptcy which impends. The tide of post-war recovery is beginning to flow and is carrying the Government with it. It is easy to forget that its undertow is American aid . . ."

So the weekly argues that the slogan of "we can do it better" is useless. "Recent unhappy experience must surely have convinced the Opposition that attacks upon inefficency and needless expense in the administration of the social services are premature and vain." No, says Time and Tide, the Conservatives must "pose to the British people -- and pose it clearly -- whether we are by character, tradition and history fitted meekly to accept the imposition of the so-called Welfare State, which in unscrupulous hands too easily becomes the totalitarian State. The palimpsest of Socialist economics would have to be removed to reveal the essential fact of life -- that the size of the national income alone must determine the standard of life of a nation and that the question at issue is not whether this party or that has more benefits to offer but whether the individual would prefer to spend the bulk of his money in his own way or hand over a larger or smaller slice of it to the Government to spend on his behalf. . . . If Opposition policy is to be at all relevant to the coming situation, Conservatives must cease to think in terms of wooing the electors and set about the business of warning them. It may be, of course, that nothing will finally disillusion the people with the Labor Party but actual confrontation with the economic consequences of their policy, when American aid ends and the harsh winds of reality blow for the first time. But in the meantime no opportunity should be lost of emphasizing the fundamental economic realities on which the Welfare State rests and from which it cannot escape. The equally inescapable fact that the mechanism for total State benevolence is inextricably interwoven with the mechanism for State despotism should be placed before the public in emphatic terms."

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European Supplement *to* Human Events Vol. VI, No. 11

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By Bertrand de Jouvenel March 16, 1949

A NEW PLACIDITY now reigns in Western Europe. Gone is the suspense which kept nerves at strain all through last summer. Gone is the expectation of the political skies falling, the feeling that the apocalypse is near. Not only have the great winds fallen and the flood receded, but also and more there is a growing confidence that this is no delusive and fugitive lull. There is a feeling that "normalcy" has come to stay.

Items of news, now no longer interpreted as pointers to a coming typhoon, lose much of their appeal, and public curiosity has turned from the significant to the piquant. This tends to lower news to the municipal level and the parochial dominates the columns of every country's papers. A first class mystery killing makes easy transit over the wires from England to France while an important declaration fails to make the return journey. "One touch of murder makes the whole world kin."

* * *

NAMING THE ENEMY: Take, for instance, the declaration made by M. Queuille to the United Press. This, though it marks a watershed in French policy, went entirely unnoticed in the British press. To the day of this declaration it had been a conventional feature of public statements by French statesmen, that Germany, and Germany alone, was the danger to French security and therefore the reason for French armaments and French alliances. Even American and British statesmen were slow, after the war, to turn the battery of their public utterances from the disjecta membra of Hitlerian Germany's imperialism to the rising imperialism of Soviet Russia. The switch was retarded not only by the sluggishness of public opinion, but also, in the case of some, by the sluggishness of their own minds. It is but natural that the process should have been slower still in France. To three generations of Frenchmen, Germany has been the hereditary foe and its latest aggression has had the result of covering the map of France with place-names that stand in memories for Hell; whereas Stalingrad is still a blessed name in French hearts, as having been one of the main occasions for secret rejoicing granted to an occupied nation. The Red flag then took its place among the allied banners, even on the most bourgeois mantlepiece.

That Russia has now become the menace was until lately a matter for private conversation, hardly deemed suitable for public mention. This convention was observed throughout the preparatory negotiations on the Atlantic Pact. It has now been finally shattered by M. Queuille, the first French Premier since the Liberation to call a spade a spade and Russia the prospective aggressor.

This is important. For, if Russia is an imperialist Power, it follows that the nations of Western Europe live in the shadow of an imperial Power -- a situation which the West cannot long endure with a good conscience. Must it not then be their moral duty, as Mr. Churchill indicated at the Brussels Conference, to liberate Eastern Europe? Primitive peoples see an almost magical virtue in the act of "naming". They may not be far wrong.

It is not at all surprising that this plain speaking should have been met with an answering volley from the Communist camp. M. Thorez hastened to declare that Soviet Russia is by its very nature a non-imperialist State that could never find itself involved in a war except in the capacity of victim. For that reason it should receive the countenance and help of the French people in the event of

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its needing "to chase the imperialists back into French territory" -- a phrase which does credit to the ingenuity of its coiners. The Thorez declaration was echoed at once by other Stalinian aspirants to vice-regal horrors.

* * *

DEFENSE ON THE ELBE: Another important point made by M. Queuille was that European defense, if it is to have meaning and effect, must be based on the line of the Elbe. It would be the height of folly to expose to Russian occupation the arsenal of the Ruhr -- for all the belated justification which Mr. Morgenthau's theses might receive from such an outcome! Napoleon, it may be remembered, in the instructions sent by him in 1813 to Prince Eugene, his stepson, expounded the virtues of the Elbe line, from which it was possible to strike blows in directions -- Bohemia, Upper Silesia and Berlin -- which have since acquired an ever-increasing importance. For all three are now industrial areas of major extent and constitute the greatest assets of Russian power west of the Vistula. It is a perplexing phenomenon that, whereas the obvious military requirement of the Western Powers is an efficient and mobile operational force, ready and prepared to administer swift retaliatory blows, all these Powers are burdening themselves with that costly and inefficient system, conscription, involving in the day of trouble a process of mobilization which might well be impeded at the outset. It cannot be stressed too strongly that France and Italy have not a chance of even achieving mobilization if the line of the Elbe has not been powerfully garrisoned, to gain time.

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TALK OF THE CRISIS: As is well known, there are many competent persons who deny that the attack on Western Europe will take military form. They point out that, thanks to the generous help of America, the healing of Western Europe's wounds has proceeded apace and that with it has come a degree of general satisfaction which the various governments are not slow to ascribe to their various policies. This agreeable state of mind conduces to calm in the political field. Depend on it, however, that the present mood will alter in time, and then will come Russia's chance to renew agitation and wean key nations away from the Atlantic alliance. The same experts point also to signs of an impending depression in the United States, and underline the far-reaching political consequences involved if this develops. Of this eventual crisis there is far more talk in France than in England. Maybe the reason is that France has experienced the same fall in agricultural prices as has the United States.

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FRENCH RECOVERY: The contrast between France and England at the present time is striking. So far as production is concerned, both countries have achieved much the same measure of recovery -- a coincidence which seems to make difficulties for the idea that governmental policies have had much to do with it. England, however, has pushed more goods into foreign markets than has France, whereas France has pushed more goods into consumers' hands than has England. In consequence, England has greatly narrowed the gap between imports and exports, while France has closed the gap between incomes and supplies of goods. England can point with pride to its improved balance of payments. France has been able to get rid of nearly all consumer controls. It is true that in France expenditure on food accounts for from 55 to 60 per cent of the worker's family budget, as against half that proportion in England. But in France the nourishment is on a French scale and derives no support from food subsidies which, in England, are a running sore of $2 billion in the national budget. Naturally, too, the high percentage of incomes spent on food in France results in self-imposed rationing in purchases of other consumer goods.

At the present time French food prices are starting to fall: the movement of the wage-price spiral is thereby arrested and the value of the franc, heretofore

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depressed by the expectation of further falls, has now come to seem artificially low -- its value has risen as against gold and on the foreign markets. As a result the saving of francs has become worthwhile, and this explains the success of the loan just floated. This whole process has been made possible only by using the external deficit as an aid to recovery, and the possibility of so using the deficit has been due entirely to American help.

The return to normal conditions must have the effect of excising a number of unhealthy growths. For instance, the number of retailers in Paris is said to have doubled since the war: this is the truly amazing conclusion of a survey now in progress. This growth has been the paradoxical result of scarcities, aided by controls which prevented traders from undercutting one another's prices and thereby provided all and sundry with remunerative margins of profit. Even if they kept within the law, the traders could not fail to make a profit; if they went outside the law, they enjoyed nearly unlimited possibilities.

The abundance now creeping spells disaster to some, and both agriculture and commerce will soon be clamoring for a renewal of controls. These made their appearances in the twilight of scarcities, and were dispelled by the sun of abundance. They could be brought back in the blaze of so-called super-abundance.

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THE BOOK TRADE: A minor aspect of what we see deserves, perhaps, some notice. Bookshops and publishers' stocks were both emptied during the years of the Occupation when the curfew and the lack of gasoline combined to drive the citizens into reading. At the Liberation the booksellers clamored for more books and publishers sprang up like mushrooms: holding the whiphand, they forced the booksellers to buy their books outright instead of taking them on deposit. So it happened that the hungry booksellers became glutted with volumes, mostly worthless. Sales have now shrunk to a trickle and the publishers are imploring the booksellers to take their books on account as before. But the booksellers, being now saddled with a mass of purchased books in which they have locked up much of their capital, are trying to unload the old titles on the public rather than push the new ones in which they do not have the same stake. Curiosities of this kind throw a light on the changing times.

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CONSERVATIVE PROSPECTS IN BRITAIN: Labour's victory in the Hammersmith, where the Conservatives were as confident as was Mr. Dewey on November 1, last, has caused in the party a crisis not dissimilar from that prevailing in the American Republican Party. Having failed in thirty-two by-elections to win back a single seat won by Labour in 1945, the Conservatives are beginning to ask themselves whether they will ever return to power. Labour is entrenching itself in the high places of administration and more and more public relations officers of more and more governmental agencies are in fact stumping for Labour.

The leadership of Mr. Churchill and Lord Woolton have been called in question. A tug-of-war goes on between those who feel that there should be acrid criticism of Labour's achievements and plans, and those who contend that the Conservative Party will get back not by negative criticism but by the presentation of an alternative vision. Mr. Churchill, who belongs to the first school, had prepared a major attack on the Welfare State, but was, apparently, induced by his lieutenants to desist from delivering it.

Many agree that this wavering between two opinions played a part in the failure of the Conservatives to win the Hammersmith seat: where opinions differ as to whether Mr. Churchill's attack, even as modified, was a mistake altogether or whether the mistake consisted in not pushing it harder. However this may be, discussions are now on, with a view to establishing a solid Conservative front well in advance of the General Election which must be held next year.

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Book Events

Legal Philosophy from Plato to Hegel, by Huntington Cairns. Baltimore: The Johns-Hopkins University Press. $7.50. Reviewed by J. M. Lalley.

Obviously there is a very wide frontier at which the fields of law and philosophy touch; indeed, if we take the view of philosophy that prevailed until a few centuries ago, law, like all the other sciences, is subordinate to philosophy. The proper title of the most celebrated philosophic inquiry known to us is Concerning Justice, or What is Law? The Greek word dike and the Latin ius have each the connotation of right or propriety; thus the question of law belongs to the realm of ethics, which may be defined as the rational examination of usages in the light of metaphysical principles. Yet it is probably correct to say that recent generations of lawyers have had little interest in philosophy, and even less knowledge of it; and Mr. Cairns tells us that, since Hegel, the philosophers themselves have neglected the problems of law. There are, however, enough exceptions to indicate that a contrary tendency is now in progress. It appears to have been a concern with questions of value in law that launched the Messrs. Hutchins and Adler upon their metaphysical adventures; at least one important philosopher, the late Professor Morris Raphael Cohen, devoted a large part of his attention to the law and seems to have had no little influence upon judicial thought; Mr. Cairns, who has made names for himself both as a jurisconsult and as a philosophical critic of the arts, is yet another example.

It is interesting to observe that after nearly 2500 years the fundamental problem of justice remains unchanged: whether it is in some way related to an eternal and unchanging order of things or whether it is merely whatever is to "the interest of the stronger", as maintained by Thrasymachus in the Republic, or, as the late Justice Holmes is said to have put it, "whatever the sovereign can enforce". The enormous powers acquired by the modern State, all the devices of scrutiny, terror and coercion that technology has placed in the hands of rulers and their police, all the methods discovered by psychiatric science for destroying the integrity of personality and the privacy of conscience, have made the question of far more than theoretic interest and of deep concern to many besides lawyers. It is evident that the doctrine of a natural law related to a transcendent good, and applicable to all men at all times and everywhere, places limits upon the character and scope of positive law and hence upon the authority of legislators. The contrary, or positivist, view is that the authority of the legislator is precisely equivalent to his power of enforcement.

To distinguish these attitudes Mr. Cairns gives them the scholastic terms, realist and nominalist. Fundamentally, however, the conflict is reduced to one concerning the nature of man. The identification of justice and transcendent good is predicated upon the faculty of right-reason, presumed common to all men, whereby justice, or the good, becomes apparent. Historically, the cause of political freedom appears to be closely identified with the case for human reason, as is shown by Professor Baker, of Harvard, in his book on The Dignity of Man. But it may be said at least for legal positivism that it enables us to recognize the evil that is latent in all power; rationalism, on the contrary, may sometimes blind us to it, as in Hegel's logical elaboration of Rousseau's doctrine of the General Will. The Hegelian vision of the historical evolution of an ideal justice embodied in an ideal State has had a curious fulfillment. In this vision crime and treason become identified, and the criminal, through his participation in the general will, acquiesces in his own punishment. Thus one calls to mind the pitiful spectacle of Comrade Zionoviev at his trial, beating his breast and screaming, "I am a Fascist dog -- a Fascist dog!"

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